

Why and How Projects in Organizations Differ? the Example of Portuguese Profit and Non-Profit Organizations (ANNEX)

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A project carried out on the Project Management Course, under the
supervision of Prof. Paulo Faroleiro

Lisbon, 7th of January 2015

PM as a wide variety of disciplines, depending on the definition, it can be more than 45 disciplines, of which each has a lot of different factors that influence it and those factors have their origins usually due to company internal circumstances, due to cultural influences or simply due to external influences.

This makes it very difficult to judge how developed the PM approach of each sector or company is, meaning that each discipline can be seen in many different ways and aspects.

To better analyze the maturity of each discipline, we decided to research what are important factors for each discipline. For this task we mainly used three different books.

Turner, Rodney. (2014) *The Handbook of Project-Based Management: Leading Strategic Change In Organizations*. 4th ed. USA: McGraw-Hill Publications

Kerzner, Harold. (2009) *Project Management: A Systems Approach To Planning, Scheduling And Controlling*. 10th ed. Hoboken, New Jersey: John Wiley & Sons, Inc

Longman, Andrew and Mullins, Jim. (2005) *The Rational Project Manager: A Thinking Team's Guide To Getting Work Done*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Of course each PM disciplines is influenced by many different factors yet we want to focus only on some of them since our focus isn't to analyze all factors.

Based on the literature of those three books, we choose four questions for each discipline and based on the answer to each question, we give a note from 0 to 5 to judge the maturity.

Where 0 means not developed at all and 5 means outstanding.

The results are based on the scores 0 to 5 that have been explained in the main part of the Work Project. Each question gets a grade from 0 to 5 both for the Profit and Non-Profit sector. Then for each sector the average is of the scores is taken and finally being rounded up or down in order to only use integers, which have been applied onto the radar

We want to show in detail, the different phases and which are the most important factors for each discipline and why we chose them.

For each discipline the most important factors are discussed, then based on those factors, 4 questions are chosen. Those questions will be the same for Profit and Non-Profit sector and each of those questions are being evaluated for both sectors.

Its results are being shown in a table that shows as well the final grad that will end up in the radar and in a bar chart to visualize the differences.

Afterwards those results are being discussed.

Time Management

Time Management belongs to PM literature since its very beginning. The most basic step to undertake, concerning time management, is to have a timeline which shows when has to be done what. You need to know when a work element starts, when does it end and its duration.

For each project it should be recorded when an activity is planned to start and when it actually starts, eventually as well if there is any flexibility between each activity that comes along.

Being able to plan this time schedule accurately is dependent on what you are taking as a base for time estimation. It is certainly an important skill that a project manager needs to have, being able to estimate the duration of an activity.

This is mainly dependent on two things:

The amount of time it physically takes to do the work involved,

Which in turn is dependent on the number of people available to do it and the lead-time, or waiting time.

Time Management includes as well knowing, which resources you need for each activity so that a resource profile can be calculated.

A final important factor is the controlling; the critical path needs to be observed in order to make sure that the project ultimately can be completed. That means that if a work package is delayed, we can immediately put remedial actions into place.

To know when a remedial action is needed, it needs to be clear what are the thresholds or triggers.

If the time management process is well planned, time delays should occur only rarely and if they do, a corrective plan is already waiting so that the outcome of the project is not jeopardized.

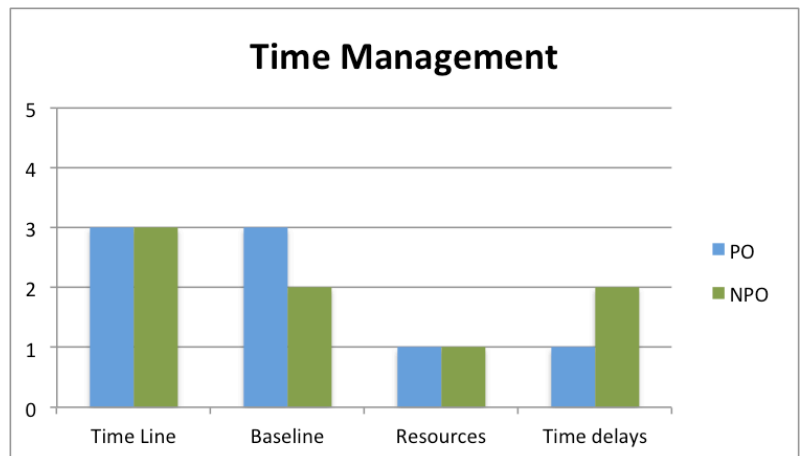
In this case it makes sense answering the following four questions:

- 1) Is a detailed time line set, with start date, end date and duration? Tools used?
- 2) Does a baseline exist? Do they keep track of what should be and what actually is?
- 3) Do we know all resource requirements? Is overtime recorded? How detailed are they? Basis of set-up (previous experience, estimation...)?
- 4) Frequency of time delays? How regular do they appear? Are they analyzed? During which occasions & activities does it happen?

Based on the data of the interviews for both sectors, Profit and Non-Profit, the following results come up.

Figures 1&2: Time Management table and graph

Time Management		
	PO	NPO
Time Line	3	3
Baseline	3	2
Resources	1	1
Time delays	1	2
Sum	7	6
Average	1,75	1,5
Radar Value	2	2



We can see that the final result for both sectors is 2. Yet looking into each question separately, they still differ.

Both sectors use time lines yet the reason why the scores aren't higher is that the time lines could be more detailed. For example using Gantt Charts as a tool would make time management more efficient.

Additionally both sectors are aware of baselines, however in the profit sector they are being used more often as a tool to see if the project is on track. In the Non-Profit sector, organizations have a notion of what initially was planned and what the actual situation is, however baselines are not yet integrated into the time management process.

The resource requirements are obviously the part that has the worst grades. Both sectors have actually a very good notion of which resources they require but they seem to have trouble to get the resources approved. Most of the resources come from different departments and most of the companies have a rather functional organization, meaning that project managers often know their resource requirements but aren't able to get them because the functional managers don't approve.

Consequently, time delays occur rather often due to flaws in the time management process, triggers and thresholds seem to be unknown. Meaning that if time delays aren't being spotted early enough and resource requirements cannot be fulfilled due to disagreement with the functional staff.

Yet, an interesting fact is that, even though time delays seem to occur regularly, neither client nor company considers time as a priority.

Obviously time management is closely related to Cost Management.

Cost Management

Cost Management belongs to the more traditional PM disciplines, meaning that it's part of the process since the beginning of PM, which makes it undoubtedly very important. Especially in Portugal where still a lot of companies feel the aftereffects of the economic crisis, cost management plays an even bigger role.

Generally, the talk about the general CM process consists of analyzing all the different costs that can be attributed the project.

A first step when planning costs is making a plan of which costs will appear, this should be as detailed as possible.

The second step is to categorize these costs in order to be able to analyze which category uses most money and should be watched more carefully. Evidently there are many different ways to categorize costs; the following categories are used as an example to illustrate what kind of categories can be used:

- Fixed costs,
- Variable costs
- Labor (some companies do not attribute people that design the new asset, so no control over design costs. Labor cost may be measured in monetary terms or in hours worked)
- Materials
- Plant & Equipment (materials, which are not consumed, available for reuse)
- Subcontract (provided by outside contractors)

- Management & Overheads & Administration (attributable to project but not specific tasks, like cost of manager and team leaders, project office support and project management information system)
- Finance (significant cost on a project but often ignored by project managers. Cost savings can be made by carefully scheduling cash flow.
- Fees & Taxation (insurance)
- Contingency variously called tolerance or project manager's reserve

An element that is prone to be forgotten is the recording of overtime work and including the pre-work that is needed. Meaning that if it's not documented, the employer covers the cost.

A 3rd step covers the cost estimation. As soon as a clear idea is established on what kind of costs will have to be covered, it has to be assessed how high these costs will be.

Here again exist different methods of appraisal; the books suggest the following ones:

- Analogous: establish a total cost based on the typical cost of similar projects and then assign percentage of the costs across the major deliverables, developed to test the available budget
- Detailed: you establish the total cost by adding the cost of all the work packages
- Parametric: you use accepted norms for incremental pricing to obtain the estimate. F.ex it will cost 20cts per square foot to carpet the office.

Depending on the project, it needs to be decided how rigorous the costs need to be estimated for the project stakeholders. Typically for the NPO it needs to be as exact as possible since the funds come from outside.

As soon as the project starts, the controlling phase is initiated in which the estimated costs will help to draw a baseline. Use cost variance to see difference between planned costs and actual costs for each work package.

The smaller this variance is the better meaning that you shouldn't have trouble with costs that weren't accounted for, be it higher than expected or not accounted at all.

However there should always be a certain reserve because sometimes costs change due to external factors that cannot be influenced. Meaning to not jeopardize the projects goal, some kind of contingency plan should be available.

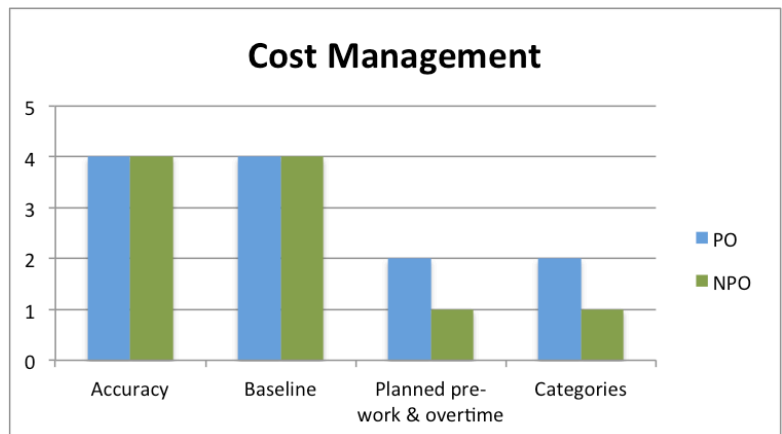
Considering all those facts, the following points summarize the most important CM factors:

- 1) How accurate are the costs being planned? Into how much detail do they go (into every single work package)? What is used as estimation?
- 2) Do the organizations keep track on the planned costs and actual costs? Into how much detail do they go?
- 3) Are as well costs recorded like overtime and the pre-work that is needed to plan?
- 4) Are the costs being categorized? If so, in how much detail?

Based on those questions, both sectors have been evaluated and got to the following outcome that can be seen in Figures 3&4.

Figures 3&4: Cost Management table and graph

Cost Management		
	PO	NPO
Accuracy	4	4
Baseline	4	4
Planned pre-work & overtime	2	1
Categories	2	1
Sum	12	10
Average	3	2,5
Radar	3	3



The graph shows that for the first 2 questions Profit-, and Non-Profit Organizations do equally good, scoring in each an excellent 4. The only reason why both factors don't have a 5 is because the other factors prevent them from it.

One factor that poses a problem is that pre-work and overtime are not being recording enough; both sectors are usually covering those costs themselves. Whereas the Profit-Sector mostly seems to be aware of this fact, they know that those costs should be included into what the client has to pay.

The root of the problem is that the client has a lot of negotiation power and a very tight budget and often, companies don't want to risk losing the client.

For the Non-Profit Sector however, since they don't have a client that pays, it is natural that the organization bears the costs for it.

Concerning the categorization of costs the scores are the same than in the category before, the Profit Sector scores a 2 and the Non-Profit Sector a 1.

The Profit Sector has a good overview of what kind of costs they will have to cover during the project however they mostly use few and basic categories to split costs. Additionally, it isn't seen as a priority to further elaborate the cost categories.

The NPOs have as well a good overview of their costs and they know for what they need the money but they are not categorized usually. The reason for that often is a lack of PM and Cost Management knowledge and additionally they have fewer resources available for their projects. This leads to the fact that the person responsible needs to prioritize what is important and categorizing costs isn't one of those priorities.

All in all, for both sectors, it would help them putting more energy into the 2 factors with the lower grades because this can enhance their overall Cost Management significantly.

Scope Management

Scope Management, same as the two previous disciplines is considered a very important PM discipline. Without a well-defined scope it is not possible to know what the outcome of a project is. In addition, Scope Management helps the project manager to not lose the view for the big picture because once a project started, it is easy to get lost in details.

Part of Scope Management is to define a clear project statement that requires taking some time and defining what are the reasons that the project is necessary for your client or department. With that the overall purpose of the project has to be clear. As well the threats, opportunities and needs that are driving the project need to be considered before hand because this comes in hand with an effective Change Management.

The purpose of Scope Management is that the work is done adequately, that unnecessary work is not done and that the project's purpose is achieved.

To achieve the purpose, the project manager has to establish a Work Breakdown Structure that is the process by which the work of the project is subdivided for management and control purposes. The WBS (Work Breakdown Structure) is one of the most crucial tools that will guide the project manager through the whole project.

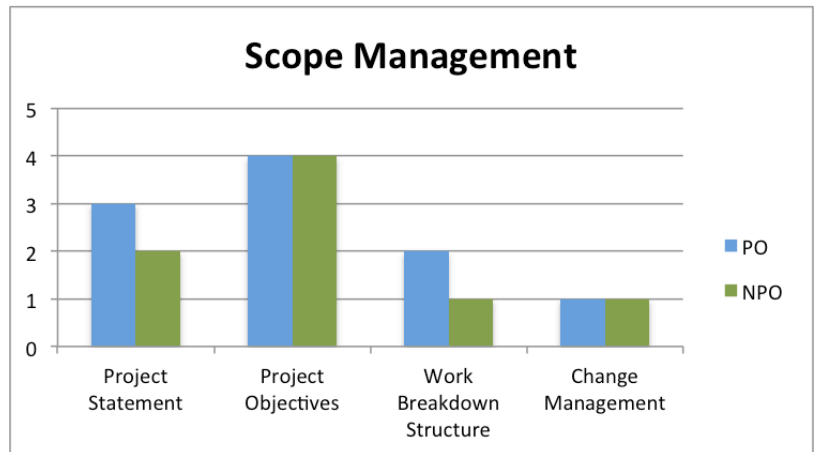
Since all of this is important for successful Scope Management, the following factors have been used as a base to obtain the scores in Figures 5&6.

- 1) Is there a clearly defined project statement? Have project stakeholders been involved to define it? Are all stakeholders aware of the project statement?
- 2) Are the project objectives well defined? What value should the project produce? Are the milestones established? Are the short and long-term objectives clear?
- 3) Has a Work Breakdown Structure been created? How many levels does it have? Does it include the major deliverables?
- 4) Do you have a Change Management process established? Is the relationship between Scope and Change Management clear?

After evaluating these questions, the following output has been achieved:

Figures 5&6: Scope Management table and graph

Scope Management		
	PO	NPO
Project Statement	3	2
Project Objectives	4	4
Work Breakdown Structure	2	1
Change Management	1	1
Sum	10	8
Average	2,5	2
Radar	3	2



Clearly one factor stands out, the project objectives where both sectors score a 4 out of 5. For both, the project objectives and milestones are very clear; they know exactly what the short- and long-term objectives are and how they can create value. The factor however that stops the project objectives to climb to a higher score is Change Management. Here both sectors only score a 1. None of the two sectors has a well established process to deal with change, especially since in Portuguese organizations it is common that the client changes scope often, the project managers haven't found a way yet on how to deal with this constant change in scope which ultimately impedes the Scope Management and consequently the PM process to become more effective.

Looking at the project statement, especially the Profit Sector has a well-defined project statement. Yet, a project statement is seen as something that has to be established but it is uncommon that project managers actually write down an actual statement, leading to the fact that project stakeholders that don't work closely with the project manager are not aware of what the big picture, meaning the project statement is and consequently are focusing only small details.

As for the Non-Profit Sector they know what the goal of their project is however in a much less formal way than in the Profit Sector. This sector has the same problem; project stakeholders that don't work closely with the project manager aren't aware of the big picture and consequently are less committed to the project.

The Work Breakdown Structure however is a tool that isn't spread yet in both sectors. The Non-Profit Sector doesn't make use of it at all so far, even though project managers are aware of what work has to come next, they don't use it as a tool to enhance the overview by having manageable work pieces.

The Profit Sector has a basic knowledge and usage of the Work Breakdown Structure as a tool, however they use it in a rather superficial way instead of developing it more to really break down the work into separate work packages, which would make resource allocation a lot easier.

Scope Management in general should be not only be used in theory but instead, establishing a details Work Breakdown Structure and focusing on how to deal with it when scope changes could enhance an organizations PM process enormously.

Quality Management

Quality Management is the last of the four more traditional disciplines and obviously crucial especially to improve. Only when a project manager knows how to measure the quality of a project outcome, he can be sure that the project was successful. Even more important, this allows him to establish best practices and improve the process for the next project. So this should be a priority for every project manager.

Of course that presupposes that you are actually measuring the success of your projects. Yet, Quality Management is not only measuring the outcome of a project but

as well the quality within the projects process, like the quality of leadership for example. Quality Management is coming more to the front again lately since customers are becoming more demanding. They want faster product developments with higher performance and more technology but for a lower price.

A widespread tool is the ISO9000 that is a system standard that can be applied to any product or service that gives you a certain quality standard, including planning, controlling and documentation. Of course there are many other tools as well.

In the end, all those results however depend on how objective the quality control and the set of its objectives are. The outcomes can be based on a strictly quantitative or qualitative measurement or both.

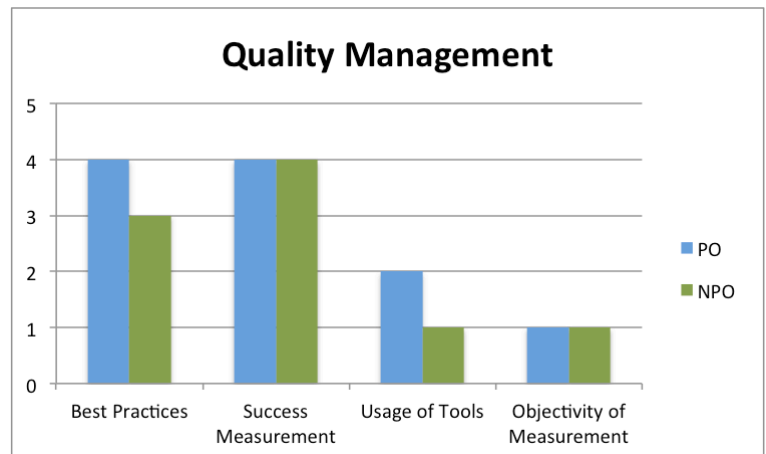
This leads to the following 4 questions.

- 1) Do best practices exist? Where to they come from? From own effort or from someone else in the industry?
- 2) Is there a success measurement process in place? Only for the project outcome or for the whole project process?
- 3) What kinds of tools are used? Is a quality management system used?
- 4) How objective are the measurements? What are the results based on?

After having analyzed the above-mentioned facts, figures 7 and 8 show the outcome of it.

Figures 7&8: Quality Management table and graph

Quality Management		
	PO	NPO
Best Practices	4	3
Success Measurement	4	4
Usage of Tools	2	1
Objectivity of Measurement	1	1
Sum	11	9
Average	2,7	2,25
Radar	3	2



The most obvious result from the graph is the high score for success measurement for both sectors. That means that both sectors have set the measurement of success as a priority, not only the outcome of a project but as well the whole project process and implementation.

The second great score comes from the best practices factor. Again the Profit Sector scores a 4 for their big effort in establishing best practices and doing a lot of benchmarking within their own industry to see how and where they can improve.

The Non-Profit Sector is almost as good with a score of 3, here as well, they are trying to establish best practices however it is less well established since this was not common in the past but best practices become more and more available as well for the Non-Profit Sector.

Unfortunately however the tools that both sectors use are random and often not adapted or too simple. The Profit Sector however has some more standard tools in place and they are trying to acquire more developed and internationally recognized systems. For the Non-Profit sector however, tools are less of a priority since they are related with spending money, which often they don't have, so they have to linger with simple tools.

The lowest score however within this discipline is for the objectivity of the quality measurement. In both sectors, the measurement is done in a more subjective manner, meaning that for both sectors, the quality of an outcome is based on customer surveys and conversations.

For the Profit Sector, even if scores are contributed to different factors, this is often based on the opinion of one to three persons. Especially the Profit Sector has the possibility to use more quantitative measurement to get more objective results.

Despite the fact the measurement is not objective yet, the organizations are doing a lot of research currently to find better ways to measure the outcome.

For the Non-Profit Sector however it is difficult to measure the outcome of a project objectively since mostly the outcomes are intangible, nonetheless as well NPOs are searching currently on how to measure intangible output.

Even though the objectivity of measurement currently only scores a 1, both sectors are on the threshold to climb the ladder.

Leadership

Leadership is a discipline that recently has been discussed a lot, so it becomes as well increasingly important in the PM world.

Leadership in PM is extremely important because it is what drives the projects' stakeholders that based on their behavior can make a project successful or not, so it is in a project managers best interest to have everyone as motivated as possible.

As generally known there are many different leadership styles, which can vary a lot among each other. In PM literature, a leadership style is depending on the degree of involvement of other people into decision-making.

Furthermore it is said that depending on which stage you are in the project a different leadership style should be applied.

A discipline that goes hand in hand with leadership is communication; meaning if one isn't functioning well it has serious influences on the other.

Depending on how effective a project manager leads his team and how good the communication is with other project stakeholders like for example the board members

of the organization, the more committed they are to the project and the more likely is a successful outcome.

Project managers should have well developed in the following 3 groups.

- Intellectually they have to be able to do a critical analysis and have a strategic perspective
- Managerially they have to empower people, engage well in communication and as well having the thrill to achieve goals
- Emotionally they have to be motivated, be self-aware and have emotional resilience and be very sensitive to what is happening in their environment among others

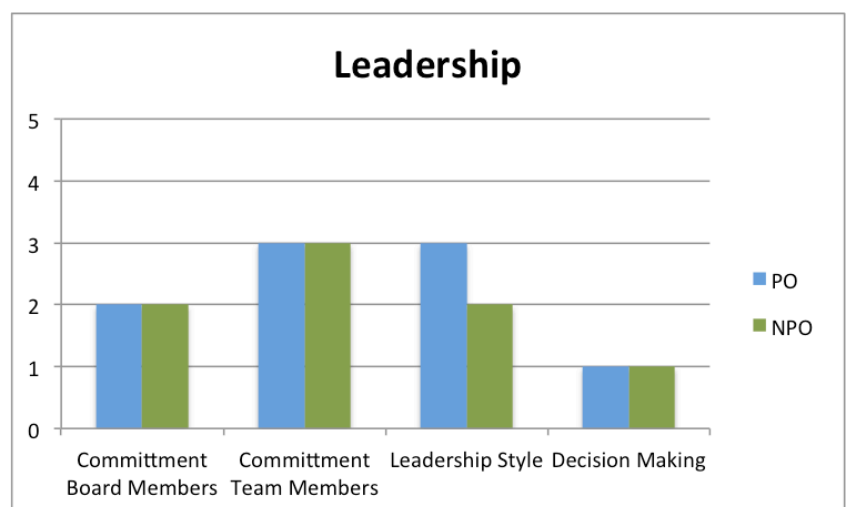
After some consideration, the main factors to evaluate leadership are the following:

- 1) Are board members committed? Are they aware how important their role is?
- 2) Are the projects' team members committed? Does the project manager try to understand everyone
- 3) Is the leadership style adapted to the different project stages? What kind of leadership style is being applied?
- 4) How are decisions taken? Does the project manager involve team members? Do all the stakeholders accept the decisions?

Having evaluated each of these questions, the following results come out which are displayed in Figure 9&10.

Figures 9&10: Leadership table and graph

Leadership		
	PO	NPO
Committment Board Members	2	2
Committment Team Members	3	3
Leadership Style	3	2
Decision Making	1	1
Sum	9	8
Average	2,25	2
Radar	2	2



Looking at Figure 10, it becomes clear that what scores highest in both sectors is the commitment of team members. That means that project managers are doing a good

job motivating the team members and team members mostly feel appreciated and empowered to contribute to the projects' outcome.

The leadership style is especially well developed in the Profit Sector, there project managers do a good job adapting their leadership style depending on different situations, which is well received from the projects' stakeholders.

The score for the Non-Profit sector is slightly lower with a 2 because leadership is barely adapted to the different stages of the projects and often project managers don't have any leadership training, which hinders them to improve leadership skills.

Concerning the commitment of board members, both sectors score a 2, branded from the fact that board members usually are committed but usually too committed. Since organizations often are very functional so project managers are overrun by the functional structure. Additionally often board members don't have a lot of understanding of the importance of PM. In the end, even though they might be committed, it is not necessarily enhancing the PM process.

The poorest factor is decision making in which both sectors score a 1. This comes in hand with the commitment of board members because they often overrun decisions that project managers have taken considering a well defined decision making process, which is then replaced by a more subjectively taken decision of a board member.

Since organizations are still very functional, the concept of PM is difficult to push through and the understanding of PM concepts is rather low.

This is certainly a matter still to be improved in both sectors.

Communication

As before mentioned, communication is closely related to leadership.

The literature shows that poor communication is not only caused by too little but as well by too much communication.

Several factors influence the effectiveness of communication within a project.

First it is the timing, how often you communicate, that may be through meetings, emails, reports, seminars, etc.

Nowadays peoples inboxes are flooded by emails, in a normal working day a they have to attend several meetings, which often are poorly organized, and in between all that the phone is usually ringing constantly of people calling and asking questions.

The key to success is to time everything as much as possible. Meetings should be well planned before, stating what the goals are. A fixed timeline should be set for a meeting that cannot be exceeded and the people involved in the meeting should be selected very carefully. After a meeting, a follow-up should be created, stating clearly who has to care of which issues that have been discussed during the meeting.

As well, it should be carefully considered when, which information is shared and with whom and as well how often, fore example once every two weeks a written report of the performance on the project and once per week a verbal report.

Moreover the means of communication can play an important role, some information should be transmitted personally, some via email, some through other communication channels.

An important tool that supports communication is a Gantt Chart, because it shows the details of the projects' schedule. If this chart is shared with the stakeholders and clear to everyone, it can save the project manager a lot of unnecessary calls where people ask when is happening what.

Careful attention should be paid to the communication with the projects' stakeholders, for example, the sponsor needs to be convinced that the right process has been adopted that will allow delivering the project in the best way possible. Generally the sponsors are not involved in the projects' process, yet the project manager should try to involve him since this usually has a positive influence on the project.

As well the satisfaction of the other stakeholders of the project plays a crucial role, the best way to monitor it is by engaging and communicating with them.

Consequently, the following questions have been analyzed:

- 1) Is the timing well planned?
- 2) Are the people carefully chosen depending on information and communication channel?
- 3) Is stakeholders' satisfaction monitored?
- 4) What kinds of means are used? Are they adapted on what needs to be communicated?

Figures 11&12 show the result to each question.

Figure 11&12: Communication table and graph

Communication		
	PO	NPO
Timing	2	1
choice people involved	2	2
Stakeholders	3	2
Means	1	0
Sum	8	5
Average	2	1,25
Radar	2	1

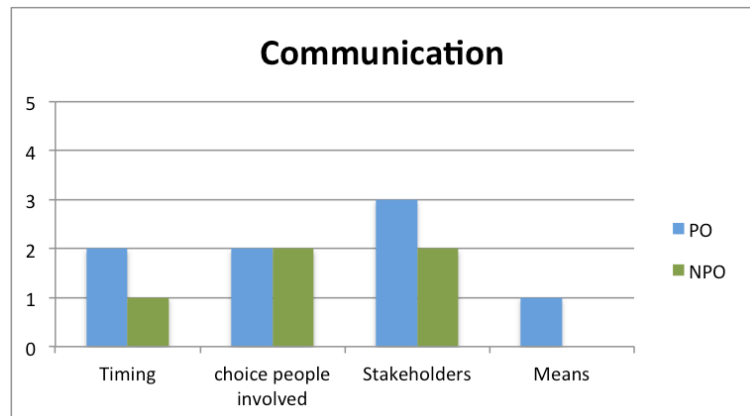


Figure 12 shows that stakeholder's satisfaction is monitored well, especially for the Profit Sector scoring a 3. Project managers are engaging with the stakeholders and communicating with them, as well they see the importance of including the sponsors into the process.

For the Non-Profit Sector, stakeholders are as well monitored, however it is more difficult to keep them satisfied since often they are contributing with donations or services but don't get anything back in return. Donating just for the sake of it is not very popular anymore nowadays; people and/or companies want to have some kind of return.

The choice of which people are involved when is for both sectors just below average with a score of 2. Often people are not selected wisely, the usual is to include more people into meeting, emails than would be needed which leads on the one hand to the fact that people don't read emails anymore because they know they most of the time are not concerned so they just delete them. On the other hand however, in meetings for example they contribute with opinions and objections that have to be discussed then even though they are not involved in this topic of the project, which consequently leads to longer meetings without the desired output.

The timing factor scores a 2 for the Profit Sector because even though some rules are established on how often a report or meeting is needed, it is still very basic and commonly more often than actually would be effective.

For the Non-Profit Sector it is rather unusual to have a process in place that says for example, once every 2 weeks a report is needed to report the performance. Most of the time, stakeholders just call the project manager whenever they want to have information. Having reports or meetings installed regularly would make time management much more effective for project managers.

The means in Communication Management are rather poorly developed in the Profit Sector, hence the score of 1. The most common way to communicate is still email and the amount of emails written is still increasing even though the people admit that most

of them they don't even read anymore. Gantt Charts are used only rarely and if so, they aren't shared with the project stakeholders, which means that the information exists but still creates questions because it is not shared.

In the Non-Profit Sector, there are no processes in places that manage communication.

The usual way to communicate is to call and ask if someone wants to know something, which makes the project manager repeat a lot of information over and over again. The only communication channel that is slightly more effective is with the sponsor of the project since he expects more detailed information on the process.

Risk Management

Having a well-developed risk management plan in place for a project can in some situation rescue a project that is on the threshold to fail.

The steps of Risk Management are a bit similar to Cost Management.

First you have to make a plan of all the risks that might show up during the projects, so you should have a list of all potential risks.

Those risks should then be categorized again in order to be able to better analyze them, like for example business risks that are related to the industry or insurable risks. That you can simply eliminate by taking up an insurance that means you are giving the responsibility to an external stakeholder.

After this is done, a very helpful tool to assess the risk is creating a matrix that shows the impact of the risk by comparing the likelihood of the risk to actually happen versus the consequence that it would have on the project if it happens

Then, still part of the preparation are the mitigation plans that should be established for every risk that is considered likely to happen with a big impact on the project.

Once this is the done, then the risk has to be controlled during the project, so it's not enough to only assess the risk in the beginning but it as to be controlled and assess continuously. Depending on the situation and stage of the project, the probability and impact matrix might change, so this has to be monitored.

The best way to monitor the risks is to keep an issue log where all issues are being written down, not only for the project manager to assess the risk but as well for communication purposes with the stakeholders.

This leads us to establish the following questions for Risk Management:

- 1) Does an Issue Log exist? Is it as well used for communication purposes?
- 2) Do mitigation plans exist for the important risks?
- 3) Are the risks being categorized?
- 4) Is the risk managed continuously?

Having to answer those questions, Figures 13&14 show the scores to each of them for both sectors.

Figures 13&14: Risk Management table and graph

Risk Management		
	PO	NPO
Issue log	1	0
Mitigation plans	2	1
Categories	1	0
Continuous evaluation	1	0
Sum	5	1
Average	1,25	0,25
Radar	1	0



Obviously Risk Management is one of the weaker disciplines of all for both sectors.

Of all the influencing factors, the mitigation plans seems to be the best one, where the Profit Sector scores its highest score with a 2. That means that mitigation plans do exist, especially for the risks that are considered severe. However since the risks

aren't evaluated in much depth, regularly, risks appear that no mitigation plan exists for since the project managers didn't assess the risk before hand.

The Non-Profit Sector has mitigation plans but they are only done whenever a risk actually becomes a real issue, meaning the mitigation plan is not done beforehand. Only whenever the risk actually becomes reality and threatens the project. So there is no pro-active plan for risks.

The issue log is something that the Profit Sector is aware off however it is only used sporadically and if it is used, mostly only internally but it isn't shared with the stakeholders to discuss or communicate issues.

In the Non-Profit Sector issue logs are not used at all. If there is an issue, project managers react to it.

Using an issue log could help both sectors for analysis purposes and quality measurement after the project, which consequently can help building best practices. Furthermore it is important to communicate with stakeholders what the issues are and to keep track of them.

Moreover risks are barely categorized in the Profit Sector, which makes it more difficult to split the responsibility for them. If they are categorized it is easier to distribute the responsibility for them, because some only an insurance can bear, some can be managed by the project manager, some by the project team and some only by the board members. So a classification is essential to manage the risks accordingly. In the Non-Profit Sector, risks aren't categorized, there it is rather unusual to have a risk management plan before hand, that means if the risks aren't noted in the planning phase, they cannot be categorized.

The last factor is continuous evaluation where the Profit Sector again scores a 1.

Continuous risk assessment is done rather sporadically in the Profit Sector, it is more common to evaluate the risk in the beginning and only if really necessary reevaluate it during the process. Continuous risk evaluation is not part of the Risk Management process.

For the Non-Profit sector, it doesn't exist at all, since there is no Risk Management process in place usually; there is consequently no continuous evaluation.

In general, Risk Management is not yet a real part of the PM process of both sectors. For some isolated Profit Organizations, they do some minor Risk Management but clearly that is a discipline that yet has to be implemented. Especially since Risk Management has a big influence on Change Management and ultimately as well Scope Management, meaning that its importance should not be underestimated.

Stakeholder Management

Stakeholder Management plays an essential role nowadays in PM. If the stakeholders aren't aligned with the PM process it is almost impossible to achieve the projects' goal, no matter how well designed and planned everything is.

In the literature exists a shareholder view, which focuses on the shareholders of an organization, decisions are made to satisfy them in the same time other stakeholders are neglected. Then, there is the view that focuses on all the stakeholders, including shareholders. Researchers found out that when focusing on stakeholders in general, this creates longer-lasting organizations.

Before a project manager can focus on its stakeholders he first needs to select them, to make sure to choose the right stakeholders for a specific project, they need to be analyzed.

So the project manager should make a thorough analysis of the stakeholders and understand already beforehand who they are and if they are the right fit for a project.

If a stakeholders needs to be exchanged during the project, it might cause a lot of trouble, so a project manager wants to make sure he chooses the right partner.

Part of choosing the stakeholder is verifying that everyone is aligned with the projects' success criteria. Alignment with the success criteria is not enough, the project manager is responsible that everyone accepts them 100% otherwise he might face resistance during the project.

Another deciding factor is the commitment of stakeholders. The project manager has to rely on the fact that stakeholders are committed to the project, since he cannot monitor each and everyone constantly. That means each stakeholder needs to be committed enough to fulfill the responsibilities he has in the project.

Facing those factors, it becomes obvious what the main influencing factors are for Stakeholder Management.

- 1) Does the company represent a stakeholder or shareholder view?
- 2) Are all stakeholders aligned with the success criteria?
- 3) How committed are the stakeholders to the projects?
- 4) Does the project manager analyze stakeholders before hiring them?

Figures 15& 16 show what the score for each factor and each sector is.

Figures 15&16: Stakeholder Management table and graph

Stakeholder Management		
	PO	NPO
Analysis	1	5
Commitment	2	1
Success Criteria	1	2
Stakeholder View	2	4
Sum	6	12
Average	1,5	3
Radar	2	3



Stakeholder Management is clearly the supreme discipline of the Non-Profit Sector.

At first, the stakeholder view is already represented in some Profit Organizations, but here again often there is a friction between the view within the PM team and the view within the whole company, which is why the score is right below the average with 2. For the Non-Profit Sector however, the stakeholder view is the one that is mostly represented which makes sense because usually their goal is to support a certain cause, for poverty alleviation for example financially unstable persons are their most important stakeholders.

As well for stakeholder analysis, the Non-Profit Sector scores an excellent 5. They are doing a thorough analysis before they decide to work with someone. Surveys are being conducted, several interviews and conversations and all this data is recorded in a database and being analyzed. Actually a big part project design phase, the NPOs spend with analyzing stakeholders.

The Profit Sector on the other hand is the opposite, which explains the score of 1; they only spend little time with analyzing and choosing stakeholders. In the Profit Sector it is usual that the client wants to see tangible results as fast as possible and pay as less

as possible, which usually doesn't give the project manager much time to analyze a lot, consequently putting them under a lot of pressure.

Commitment is the only factor for this discipline where the Profit Sector has a better score than the Non-Profit Sector.

The Profit Sector scores a 2 meaning that stakeholders are more or less committed but due to the fact that no major analysis has been done previously and clients want to pay as less money as possible, which makes the profit margin for them very low and consequently diminishes commitment.

As for the Non-Profit Sector, since they are dealing mostly with stakeholders that don't get something in return for their donations or services they provide for free which consequently reduces commitment. Some of the stakeholders are volunteers and unfortunately the project managers often have to hire the double amount of the volunteers they need, to make sure they have enough volunteers present for an event. The last important factor for successful Stakeholder Management is the alignment of all stakeholders with the success criteria.

Generally the stakeholders of the Non-Profit Sector are aligned with the success criteria and accepting them, yet at times in the middle of the project, they want to change criteria in order to have a personal gain from the relation between stakeholder and NPO.

As for the Profit Sector, it only scores a 1, the reason for that is that even though the close team around the project manager is very well aligned with the success criteria, stakeholders that are less close however are not aligned with it the success criteria due to the before mentioned very low profit margins and as well the organizational structure that is in conflict with the structure within the project team.

The following radar shows the summary of all outcomes of each discipline and for both sectors.

Figure 17: Radar

